UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/649,392	08/26/2003	David Marshall	06878.115301	6077

32361 7590 08/21/2008

GREENBERG TRAURIG, LLP
MET LIFE BUILDING
200 PARK AVENUE
NEW YORK, NY 10166

EXAMINER	
FU, HAO	

ART UNIT	PAPER NUMBER
3696	

NOTIFICATION DATE	DELIVERY MODE
08/21/2008	ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

SchindlerB@gtlaw.com
LucasCh@gtlaw.com
NYIPmail@gtlaw.com

Office Action Summary	Application No.	Applicant(s)	
	10/649,392	MARSHALL, DAVID	
	Examiner	Art Unit	
	HAO FU	3696	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *30 April 2008*.

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-11* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-11* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☒ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date *04/30/2008*.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

DETAILED ACTION

Response to Remark

In the remark, filed on 04/30/2008, the applicant amended the sole independent claim to clarify the invention, and at the same time amended claim 5 and 9 for some minor informalities. Applicant's argument has been fully considered by the examiner. The main argument the applicant made is that the cited references do not disclose that the credit event is associated with a fixed income security issued by the party sponsoring the deferred compensation plan. While the examiner agrees that Shultz et al. does not explicitly disclose such feature, the examiner points out that Shultz et al. suggests the credit event is associated with a fixed income security issued by the party sponsoring the deferred compensation plant. Specifically, the prior art teaches "The policy insures against an employer's refusal to pay an unfunded deferred compensation obligation (repudiation) or inability to pay (due to bankruptcy"), and thus it is implied that bankruptcy of the sponsoring party can be detected. In the situation where the sponsoring party or the employer invests employees' deferred compensation on a fixed income security issued by the sponsoring party, when the sponsoring party goes to bankruptcy, inherently the fixed income security issued by such party would default, in other words, a credit event associated with the fixed income security issued by the party sponsoring the deferred compensation plan occurs, since bankruptcy can be broadly interpreted as a credit event. An additional non-patent literature is cited to support the examiner's analysis that detecting a bankruptcy of a sponsoring party suggests detecting credit event or default of the fixed income security issued by the party

sponsoring. According to InvestingBonds.com (About Corporate Bonds), bonds or fixed income security defaults following the bankruptcy of the company (see bottom of page 1 through page 2). Furthermore, Facciani et al. teaches a system capable of tracking and reporting assets and liabilities on a near real-time basis, and a system that makes the administration of non-qualified deferred compensation plans simple (see paragraph 0011 and 0012). One of ordinary skill in the art would have known that a system capable of tracking and reporting assets and liabilities can detect the occurrence of a credit event associated with a fixed income security issued by a party sponsoring the deferred compensation plan, such as the default of a fixed income security.

Examiner's note: Examiner has pointed out particular references contained in the prior art of record in the body of this action for the convenience of the Applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply. Applicant, in preparing the response, should consider fully the entire reference as potentially teaching all or part of the claimed invention, as well as the content of the passage as taught by the prior art or disclosed by the Examiner.

Claim Rejection – USC 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claim 1-3, and 5-8 are rejected under 35 U.S.C. 103(a) as being unpatentable over Shultz et al. (, "New Developments in Nonqualified Deferred Compensation", spring 1994, Employee Relations Law Journal. Vol. 19, Iss. 4; page 611), in view of Facciani et al. (Pub. No.: US 2002/0013751).

As for claim construction, the examiner points out MPEP 2111.04

Claim scope is not limited by claim language that suggests or makes optional but does not require steps to be performed, or by claim language that does not limit a claim to a particular structure. However, examples of claim language, although not exhaustive, that may raise a question as to the limiting effect of the language in a claim are:
(A) " adapted to " or "adapted for " clauses;
(B) " wherein " clauses; and
(C) " whereby " clauses.

The determination of whether each of these clauses is a limitation in a claim depends on the specific facts of the case. In Hoffer v. Microsoft Corp., 405 F.3d 1326, 1329, 74 USPQ2d 1481, 1483 (Fed. Cir. 2005), the court held that when a "whereby' clause states a condition that is material to patentability, it cannot be ignored in order to change the substance of the invention." Id. However, the court noted (quoting Minton v. Nat 'l Ass 'n of Securities Dealers, Inc., 336 F.3d 1373, 1381, 67 USPQ2d 1614, 1620 (Fed. Cir. 2003)) that a "whereby clause in a method claim is not given weight when it simply expresses the intended result of a process step positively recited.'" Id.

As per claim 1, Shultz teaches a method implemented by a programmed computer system, comprising:

determining whether a credit event associated with a fixed income security issued by a party sponsoring the deferred compensation plan has occurred (see first paragraph on page 4, and the paragraphs under "Policy Terms and Features on page 4; Shultz teaches benefit is paid only if the insurable event occurs, which suggests that there is a step of determining whether a credit event associated with a fixed income security issued by the party sponsoring the deferred compensation plan has occurred; the prior art teaches "The policy insures against an employer's refusal to pay an unfunded deferred compensation obligation (repudiation) or inability to pay (due to bankruptcy"), and thus it is implied that bankruptcy of the sponsoring party can be detected; in the situation where the sponsoring party or the employer invests employees' deferred compensation on a fixed income security issued by the sponsoring party, when the sponsoring party goes to bankruptcy, the fixed income security issued

by such party defaults, and a credit event associated with the fixed income security issued by the party sponsoring the deferred compensation plan occurs, since bankruptcy can be broadly interpreted as a credit event; an additional non-patent literature is cited to support the examiner's analysis that detecting a bankruptcy of a sponsoring party suggests detecting credit event or default of the fixed income security issued by the party sponsoring; according to InvestingBonds.com, bonds or fixed income security defaults following the bankruptcy of the company, see bottom of page 1 through page 2);

obligating the protection provider to make a protection payment to the participant after the credit event associated with the fixed income security issued by the party sponsoring the deferred compensation plan occurred (see the paragraphs under "Policy Terms and Features" on page 4, obligation is paid by the insurer/service provider to the executive/employee/participant; also see explanation above for the reasoning why bankruptcy is interpreted as a credit event associated with the fixed income security issued by the party sponsoring the deferred compensation plan), wherein the value of the protection payment is based at least in part upon the stored data including the value of the deferred compensation arising from the participant's election to defer at least a portion of participant's compensation (see paragraphs under "benefits" on page 4, protection payment is based on the value of the deferred compensation benefit);

calculating, on a computer, a protection agreement fee to be paid by the participant to the protection provider (see paragraph starts with "Premium", premium or the protection agreement fee is calculated as a percentage of the amount of nonqualified benefits insured; it is implied that the calculation is done on the computer, since one of ordinary skill in the art at the time of invention would perform financial); and

making a protection agreement fee payment from the participant to the protection provider (see paragraph under Indemnity Insurance to Secure Unfunded Deferred Compensation" on page 3; the executive/employee/participant pays for the insurance, and it is inherent that premium or protection agreement fee is paid by the participant to the insurer or the protection provider in an insurance policy);

wherein default protection is associated with the protection agreement between the protection provider and the participant in the deferred compensation plan (see page 3, especially "executives may buy insurance to guarantee deferred compensation owed them by their employers without suffering adverse tax consequences. We understand that insurance described in that ruling was offered by an affiliate of American International Group"; the executive in the prior art is the participant in the deferred compensation plan, and insurance company such as the affiliate of American International Group is the protection provider; in light of the description under "Policy Terms and Features", it is clear that the insurance purchased by the participant is the default protection against employer's inability to pay, see page 4); and

wherein the default protection is on an unsecured general obligation of the party sponsoring the deferred compensation plan arising from the participant's election to defer at least a portion of the participant's compensation (see last paragraph of page 3 through the entire page 4).

Examiner notes however, Shultz implies said method is implemented by a programmed computer system, but does not explicitly disclose the details of such feature. As such, Shultz fails to disclose using the computer to store data relating to the protection agreement between the protection provider and the participant in the deferred compensation plan, wherein the stored data includes a value of the deferred compensation arising from the participant's election to defer at least a portion of participant's compensation.

Facciani teaches a computer implemented method relating to deferred compensation; and using the computer to store data relating to the protection agreement between the protection provider and the participant in the deferred compensation plan, wherein the stored data includes a value of the deferred compensation arising from the participant's election to defer at least a portion of participant's compensation (see paragraph 0020).

It would have been obvious to one of ordinary skill in the art at the time of invention to combine the teachings of Shultz and Facciani to come up with a computer implemented method relating to deferred compensation; and using the computer to store data relating to the protection agreement between the protection provider and the participant in the deferred compensation plan, wherein the stored data includes a value of the deferred compensation arising from the participant's election to defer at least a portion of participant's compensation.

One of ordinary skill in the art would have been motivated to combine the references in order to take advantage of all the benefits computers provide in business method.

Furthermore, Facciani teaches a system capable of tracking and reporting assets and liabilities on a near real-time basis, and a system that makes the administration of non-qualified deferred compensation plans simple (see paragraph 0011 and 0012). One of ordinary skill in the art would have known that a system capable of tracking and reporting assets and liabilities can detect the occurrence of a credit event associated with a fixed income security issued by a party sponsoring the deferred compensation plan.

It would have been obvious to one of ordinary skill in the art at the time of invention to modify the reference to include determining whether a credit event associated with a fixed income security issued by a party sponsoring the deferred compensation plan has occurred.

One of ordinary skill in the art would have been motivated to modify the reference in order to trigger the insurance payment to the particiapant.

As per claim 2, Shultz does not teach wherein the fixed income security is a debt instrument.

Facciani teaches the fixed income security is a debt instrument (see paragraph 0007 and 0039, a "bond fund" is a debt instrument).

It would have been obvious to one of ordinary skill in the art at the time of invention to modify the reference to include that the fixed income security is a debt instrument.

One of ordinary skill in the art would have been motivated to modify the reference in order to increase the value of the deferred compensation over time.

As per claim 3, Shultz does not teach wherein the debt instrument is a bond.

Facciani teaches the fixed income security is a debt instrument (see paragraph 0007 and 0039).

It would have been obvious to one of ordinary skill in the art at the time of invention to modify the reference to include that the fixed income security is a debt instrument.

One of ordinary skill in the art would have been motivated to modify the reference in order to increase the value of the deferred compensation over time.

As per claim 5, Shultz teaches wherein the credit event is determined on a computer and is selected from the group including: (a) bankruptcy; (b) failure to pay an obligation when due; (c) restructuring; (d) obligation default; (e) obligation acceleration; and (t) repudiation/moratorium (see paragraphs under "Policy Terms and Features" on page 4).

As per claim 6, Shultz teaches wherein the value of the deferred compensation arising from the participant's election to defer at least a portion of participant's compensation is adjusted by adding to an initial value of the deferred compensation any amounts of additional compensation deferred by the participant less any payments made by the party sponsoring the deferred compensation plan to the participant (see the last paragraph on page 3, especially "the IRS ruled that executive may buy insurance to guarantee deferred compensation owed them by their employers without suffering adverse tax consequences." Here, executive is participant, and employer is sponsor party; Shultz teaches that the insurance only covers the portion of participant's deferred compensation owed by the sponsor party, which is an initial value of the deferred compensation any amounts of additional compensation deferred by the participant less any payments made by the party sponsoring the deferred compensation plan to the participant).

As per claim 7, Shultz does not teach wherein the value of the deferred compensation changes over time.

Facciani teaches investing deferred compensation in bonds. It is inherent that the value of bonds changes over time. Therefore, the value of the deferred compensation changes overtime as well.

It would have been obvious to one of ordinary skill in the art at the time of

invention to modify the reference to state that the value of the deferred compensation changes over time.

One of ordinary skill in the art would have been motivated to modify the reference in order to point out the nature of deferred compensation.

As per claim 8, Shultz does not teach wherein the value of the deferred compensation changes over time periodically at an interval selected from the group including: (a) daily; (b) weekly; (c) monthly; (d) quarterly; (e) semi-annually; and (f) annually.

Facciani teaches investing deferred compensation in bonds. It is inherent that the value of bonds fluctuates in open market on a daily basis, so does it on a weekly basis, monthly basis, quarterly basis, semi-annually basis, and annually basis. Therefore, the value of the deferred compensation changes over time periodically at an interval selected from the group including: (a) daily; (b) weekly; (c) monthly; (d) quarterly; (e) semi-annually; and (f) annually.

It would have been obvious to one of ordinary skill in the art at the time of invention to modify the reference to include the value of the deferred compensation changes over time periodically at an interval selected from the group including: (a) daily; (b) weekly; (c) monthly; (d) quarterly; (e) semi-annually and (f) annually.

One of ordinary skill in the art would have been motivated to modify the reference in order to point out the nature of deferred compensation.

Claim 9 and 10 are rejected under U.S.C. 103(a) as being unpatentable over Shultz et al. (New developments in nonqualified deferred compensation), in view of Facciani et al. (Pub. No.: US 2002/0013751), and further in view of Vagim et al. (Pub. No.: US 2003/0041019).

As per claim 9, Shultz teaches further comprising making the protection payment to the participant from the protection provider after determines that the credit event occurred (see paragraphs under Benefits on page 4).

Examiner notes however, Shultz does not teach the determination of credit event occurrence is done by computer.

Vagim teaches that the determination of credit event occurrence is done by computer (see paragraph 0098, "the computer program also determines if there is a bankruptcy filling...").

It would have been obvious to one of ordinary skill in the art at the time of invention to combine the references to make the protection payment to the participant from the protection provider after the computer determines that the credit event occurred.

One of ordinary skill in the art would have been motivated to combine the references in order to take advantage of all the benefits computers provide in business method.

As per claim 10, Shultz teaches further comprising obligating the participant to provide the unsecured general obligation of the party sponsoring the deferred compensation plan to the protection provider (see paragraph under "Policy Terms and Features"; under the insurance policy of the prior art, unsecured general obligation is automatically transferred from the sponsoring party or the employer to the protection provider or the insurer).

Claim 4 and 11 are rejected under U.S.C. 103(a) as being unpatentable over Shultz et al. (New developments in nonqualified deferred compensation), in view of Facciani et al. (Pub. No.: US 2002/0013751), and further in view of Official Notice.

As per claim 4, Schultz does not teach wherein the bond is a fixed income, long dated bond.

Official Notice is taken that fixed income long dated bond is old and well known in the finance art, and fixed income long dated bond is a common investment vehicle. It would have been obvious to one of ordinary skill in the art at the time of invention to modify the reference to specify the bond is a fixed income, long dated bond.

One of ordinary skill in the art would have been motivated to modify the reference in order to increase the value of the deferred compensation over time.

As per claim 11, Shultz does not teach wherein the steps are performed in the order recited.

Official Notice is taken that applicant's order of steps in claim 1 is logical and same as any common insurance scheme.

It would have been obvious to one of ordinary skill in the art at the time of invention to modify the reference to specify that the steps in claim 1 are performed in the order recited.

One of ordinary skill in the art would have been motivated to modify the reference in order to show the priority of steps.

Conclusion

THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to HAO FU whose telephone number is (571)270-3441. The examiner can normally be reached on Mon-Fri/Mon-Thurs 7:30am-5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Tom Dixon can be reached on (571) 272-6803. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Hao Fu
Examiner
Art Unit 3696

AUG-08

/Hao Fu/
Examiner, Art Unit 3696

/Daniel S Felten/
Primary Examiner, Art Unit 3696